

[8th August, 2000]

RAJYA SABHA

The process starts after the demand falls due after 30 days of the service of the demand Notice. Thereafter, action is taken by Assessing Officer in respect of unstayed demand by attaching bank accounts, charging interest, levying penalty etc. In difficult cases, matter is referred to Tax Recovery Officer who takes various coercive measures as per the Act like attachment and sale of defaulter's movable and immovable properties, arrest of defaulter and his detention in prison, appointment of Receiver for the management of the defaulter's movable and immovable properties. The recovery action taken by the Assessing Officer and TROs is closely monitored by the higher income tax authorities.

Dossier cases having outstanding demand of Rs. 10 lakhs and above are monitored by higher authorities on a regular periodic basis and necessary instructions are issued for taking various coercive measures for effecting the recovery of demand.

Foreign Investment in the Country

1789. SHRI RAVI SHANKAR PRASAD: Will the Minister of FINANCE be pleased to state:

- (a) what has been the total amount of foreign investment in the country till date from 1991—2000;
- (b) what has been its breakup, State-wise;
- (c) what has been the reasons for poor investment in some of the Eastern States notably Bihar;
- (d) what are the subjects (areas) in which foreign investments have been made;
- (e) what particular steps State Governments are required to take to attract foreign investment in large measure to speed up industrial development; and
- (f) what has been the extent of employment generation in the wake of foreign investment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) During the period from August 91 to June' 2000, FDI inflow has been Rs. 79,175.42 crore.

(b) The information is not centrally maintained.

(c) The choice of location of projects depends on the commercial judgement of investors. The location of projects involving Foreign Direct Investment (FDI)

are determined by various factors which *inter-alia* include availability of infrastructure, manpower, domestic market and fiscal and other incentives provided by various State Governments. FIPB guidelines do not determine the location of the project involving FDI.

(d) The main sectors in which foreign investment have been made are Transportation Industry, Electrical Equipments, Fuels, Chemicals (other than Fertilizers), etc.

(e) To attract foreign investment in large measures, State Governments are required to develop their own degree of industrial and financial infrastructure, increase the potential size of their market and also to increase the skilled human and natural resources of the state beside providing the fiscal and other incentives.

(f) Data on employment generation with specific linkage to FDI is not centrally maintained.

IRDA permission to FIIs for Investment in Insurance sector

1790. SHRI NAGENDRA NATH OJHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory Development Authority (IRDA) has decided to allow Foreign Institutional Investors (FIIs) to invest in Insurance joint venture without hitting the 26 per cent ceiling on direct foreign investment;

(b) if so, the details thereof;

(c) Whether it is a fact that this decision is against the initial policy of restricting the foreign equity to 26 per cent; and

(d) If so, the reasons for diluting the accepted policy in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir

(b) to (d) Do not arise.

Increase in Economic Offences

† 1791. SHRI ANIL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) what is Government's reaction to the news-item captioned, "Arthic

† Original notice of the question was received in Hindi.